

**CENPATICO BEHAVIORAL HEALTH
OF ARIZONA, LLC**

**FINANCIAL STATEMENTS, OMB CIRCULAR A-133
SUPPLEMENTARY REPORTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2006

**CENPATICO BEHAVIORAL HEALTH
OF ARIZONA, LLC**

**FINANCIAL STATEMENTS, OMB CIRCULAR A-133
SUPPLEMENTARY REPORTS AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2006

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

We have audited the accompanying balance sheet of **Cenpatico Behavioral Health of Arizona, LLC** at June 30, 2006, and the related statements of operations, member's equity and cash flows for the year then ended. These financial statements are the responsibility of the management of **Cenpatico Behavioral Health of Arizona, LLC**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Cenpatico Behavioral Health of Arizona, LLC** at June 30, 2006, and the change in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2006 on our consideration of **Cenpatico Behavioral Health of Arizona, LLC's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplemental Schedules of Activities (Schedules 1, 2, 3, 4, 5 and 6) and the Schedule of Expenditures of Federal Awards (Schedule 7) are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The information in Schedules 1 through 7 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Phoenix, Arizona
October 16, 2006

Mayer Hoffman McCann P.C.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

BALANCE SHEET

June 30, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,306,647
Short-term investments	16,500,000
Accounts receivable	763,329
Accrued interest income	108,792
Prepaid expenses	146,035
Deferred income tax asset	<u>71,675</u>
TOTAL CURRENT ASSETS	18,896,478

PROPERTY AND EQUIPMENT, net	779,347
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DEPOSITS	<u>59,682</u>
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TOTAL ASSETS	<u>\$ 19,735,507</u>
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LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES

Payable to providers	\$ 8,139,892
Payable to Arizona Department of Health Services	3,043,345
Accounts payable and accrued expenses	692,556
Due to affiliated companies	1,129,753
Federal income tax payable	<u>1,139,610</u>
TOTAL CURRENT LIABILITIES	14,145,156

MEMBER'S EQUITY	<u>5,590,351</u>
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TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 19,735,507</u>
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CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

STATEMENT OF OPERATIONS

Year Ended June 30, 2006

REVENUES

Arizona Department of Health Services	\$ 88,278,143
Interest income	<u>604,119</u>
TOTAL REVENUES	<u>88,882,262</u>

EXPENSES

Program services	80,425,894
General and administrative	<u>7,217,372</u>
TOTAL EXPENSES	<u>87,643,266</u>

NET INCOME BEFORE INCOME TAXES	1,238,996
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INCOME TAX PROVISION	<u>1,339,514</u>
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NET LOSS	<u>\$ (100,518)</u>
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See Notes to Financial Statements

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

STATEMENT OF MEMBER'S EQUITY

Year Ended June 30, 2006

	<u>Investment by Centene Corporation</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance, July 1, 2005	\$ 6,200,000	\$ (509,131)	\$ 5,690,869
Net loss	<u>-</u>	<u>(100,518)</u>	<u>(100,518)</u>
Balance, June 30, 2006	<u>\$ 6,200,000</u>	<u>\$ (609,649)</u>	<u>\$ 5,590,351</u>

See Notes to Financial Statements

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

STATEMENT OF CASH FLOWS

Year Ended June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	\$ (100,518)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	95,347
Changes in operating assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	(763,329)
Accrued interest income	(108,792)
Prepaid expenses	68,988
Income tax receivable	271,038
Deferred income tax asset	(71,133)
Increase (decrease) in:	
Payable to providers	8,139,892
Payable to Arizona Department of Health Services	3,043,345
Accounts payable and accrued expenses	556,617
Due to affiliated companies	99,751
Federal income tax payable	<u>1,139,610</u>
Net cash provided by operating activities	<u>12,370,816</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of short-term investments	(16,500,000)
Purchase of property and equipment	(711,681)
Increase in deposits	<u>(59,682)</u>
Net cash used in investing activities	<u>(17,271,363)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,900,547)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,207,194</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,306,647</u>
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Income taxes paid	<u>\$ -</u>
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See Notes to Financial Statements

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(1) Organization operations and summary of significant accounting policies

Nature of operations - Effective March 11, 2005, *Cenpatico Behavioral Health of Arizona, LLC* ("Cenpatico" or the "Company"), was incorporated in the State of Arizona. Located in Tempe, Arizona, Cenpatico is a comprehensive behavioral health solutions company. Cenpatico is wholly owned by CenCorp Health Solutions, a subsidiary of Centene Corporation (Centene). Cenpatico was initially funded through a \$6.2 million capital contribution from Centene.

In 2005, Cenpatico was awarded a contract (the "Contract") with the Arizona Department of Health Services (ADHS) which commenced July 1, 2005 and expires June 30, 2008. In accordance with the Contract, Cenpatico has been designated as the Regional Behavioral Health Authority (RBHA) for the geographic service areas (GSA) of Yuma, LaPaz, Gila and Pinal Counties. Cenpatico is responsible for managing and maintaining an organized, comprehensive behavioral healthcare delivery system for the benefit of eligible members within its geographic service area. Substantially all of Cenpatico's revenues are from its contract with ADHS.

Cenpatico functions as a behavioral health management organization and, except for member services functions and limited utilization management functions, does not provide direct healthcare services to eligible members. Direct behavioral healthcare services are provided to eligible members by a network of subcontracted providers.

The significant accounting policies followed by Cenpatico are as follows:

Management's use of estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents - Cash includes cash deposits in banks and cash equivalents. Cenpatico considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Accounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

Investments - Short-term investments include securities with maturities between three months and one year. Long-term investments include securities with maturities greater than one year.

Short-term and long-term investments are classified as available for sale and are carried at fair value based on quoted market prices. Unrealized gains and losses on investments available for sale, if any, are excluded from earnings and reported a separate component of member's equity, net of income tax effects. Premiums and discounts are amortized or accreted over the life of the related security using the effective interest method. Cenpatico monitors the difference between the cost and fair value of investments. Investments that experience a decline in value that is judged to be other than temporary are written down to fair value and a realized loss is recorded in investment and other income. To calculate realized gains and losses on the sale of investments, Cenpatico uses the specific amortized cost of each investment sold. Realized gains and losses are recorded in investment income.

At June 30, 2006, investments consisted entirely of commercial paper with maturities of less than one year.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(1) Organization operations and summary of significant accounting policies (continued)

Accounts receivable - At June 30, 2006, accounts receivable consisted primarily of amounts outstanding from ADHS for the provision of comprehensive behavioral healthcare services for the benefit of eligible members within its geographic service areas. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management considers accounts receivable to be fully collectible as of June 30, 2006 and, accordingly, an allowance for doubtful accounts is not considered necessary.

Property and equipment - Property and equipment is recorded at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Depreciation is computed using the straight-line method over the following general range of estimated useful lives:

	<u>Estimated Useful Lives</u>
Furniture and equipment	5 - 7 years
Computer hardware and software	3 - 5 years
Leasehold improvements	1- 10 years

Impairment of long-lived assets - Cenpatico accounts for long-lived assets in accordance with the provisions of SFAS No. 144, *Accounting for the Impairment of Long-Lived Assets*. SFAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the cost or fair value less costs to sell.

Payable to providers - Cenpatico compensates providers for authorized behavioral healthcare and substance abuse services to covered beneficiaries. Cenpatico uses a variety of methods to estimate the amount payable to providers including authorizations for services to be provided, payments to be made under contract arrangements currently in force, and correspondence with significant providers to ascertain the level of care being provided to beneficiaries for which a claim has not yet been submitted.

The liability for payable to providers includes estimates of amounts due on reported claims and claims that have been incurred but were not reported as of June 30, 2006. Such liabilities represent Cenpatico's best estimate of amounts that are reasonable and adequate to discharge Cenpatico's obligations for claims incurred but unpaid as of June 30, 2006. Such estimates are, however, subject to a significant degree of inherent variability. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in each period when necessary.

Revenue recognition - Cenpatico receives substantially all of its revenue from its contract with ADHS. Contract revenues include funds for behavioral healthcare services and prevention programs for youth and seriously mentally ill ("SMI") adult and general mental health/substance abuse populations under three major types of revenue sources: Medicaid (Title XIX), Non-Medicaid (Non-Title XIX) and KidsCare (Title XXI). Contract revenue is recognized in the period for which Cenpatico is obligated to provide covered services. Deferred revenue relates to grant amounts received in the current year that cannot be recognized until certain terms are met. At June 30, 2006, Cenpatico had no amounts deferred. Contract revenue is also limited by the terms of the Contract to a maximum profit percentage, as defined. Contract revenue that cannot be recognized due to these profit limits (4%) of approximately \$3 million is included in payable to Arizona Department of Health Services in the accompanying balance sheet.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(1) Organization operations and summary of significant accounting policies (continued)

Title XIX Revenue – The Contract with ADHS requires Cenpatico to provide behavioral healthcare services to all eligible enrollees within its geographic service areas. Under this agreement, Cenpatico receives monthly capitation payments from ADHS based on a capitated rate and the number of Title XIX Arizona Health Care Cost Containment ("AHCCCS") enrollees eligible for covered services during that month. Payments received under capitation are subject to risk and Cenpatico assumes the risk for claims in excess of these payments. Capitation premiums are recognized as earned over the period that enrollees are entitled to services.

Title XXI Revenue – The Contract with ADHS requires Cenpatico to provide behavioral healthcare services to all eligible enrollees within its geographic service areas. Under this agreement, Cenpatico receives monthly capitation payments from ADHS based on a capitated rate and the number of Title XXI AHCCCS enrollees eligible for covered services during that month. These capitated payments are accounted for as described above.

Non-Title XIX Revenue – The Contract with ADHS provides for payment to Cenpatico at a monthly rate equal to one-twelfth of specified annual contract maximums under the ADHS Non-Title XIX and Subvention programs. These programs provide behavioral healthcare services to lower income uninsured or underinsured individuals not eligible for behavioral healthcare coverage under Title XIX/Title XXI or those services not covered by Medicaid for eligible Title XIX/Title XXI enrolled individuals. Non-Title XIX and Subvention programs are funded through a combination of federal mental health block grant funds, State of Arizona Tobacco Tax Funds and State of Arizona appropriated funds administered by ADHS.

Healthcare service cost recognition - Cenpatico contracts with various at-risk providers for the provision of a full range of behavioral healthcare services to eligible adults and children for Title XIX, Title XXI and Non-Title XIX programs. Healthcare services are purchased under fee-for-service or block purchase arrangements. Fee-for-service contract expenses are accrued as incurred. Healthcare services provided under block purchase arrangements are accrued based upon contract terms. From time to time, Cenpatico amends their provider contracts. The effects of these amendments are recorded in the period in which the amendment was executed.

Cenpatico receives pharmacy sales incentives from certain vendors for volume-based utilization of certain medications. These incentives are recorded when received as a reduction of program services expense.

Expense allocation - Certain direct, indirect and administrative expenses are incurred which benefit more than one program. Such common expenses are allocated based upon an ADHS approved cost allocation plan as submitted by Cenpatico, which is primarily based upon enrollment, claims and costs by lines of business.

Income taxes – Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of the tax rate change.

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. In determining if a deductible temporary difference or net operating loss can be realized, the Company considers future reversals of existing taxable temporary differences, future taxable income, taxable income in prior year carryback periods and tax planning strategies.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(2) Contract performance bond

In accordance with the terms of its contract with ADHS, Cenpatico is required to post a performance bond with ADHS to fund any potential losses incurred equal to amounts based on gross capitation payments, as specified in the contract. The amount of the bond is subject to adjustment as certain conditions change and its method of calculation is specified in the contract. The performance bond requirement was \$7,548,167 for 2006. Subsequent to June 30, 2006, the performance bond requirement was increased to approximately \$8.6 million. In 2006, the performance bond requirement was met through the purchase of a surety bond.

(3) Property and equipment

Property and equipment consists of:

Furniture and equipment	\$ 418,778
Leasehold improvements	316,104
Computer hardware	198,993
Computer software	20,773
Total cost and donated value	954,648
Accumulated depreciation and amortization	(175,301)
Net property and equipment	<u>\$ 779,347</u>

Depreciation and amortization expense charged to operations was \$95,347 for 2006.

(4) Income taxes

Federal income tax returns are filed on a consolidated basis with Centene, the parent corporation, and other subsidiaries. A provision for income taxes incurred (benefit) has been provided for under a separate return method. This results in each component company of the consolidated group showing tax expense (benefit) solely on the results of its own operations. Current taxes which would have been due on a separate company basis have either been paid to or will be paid to the parent company. Deferred income tax assets and liabilities are computed based upon cumulative temporary differences in financial reporting and taxable income based on enacted tax law in effect for the year in which the temporary differences are expected to be recovered or settled. Deferred tax assets result from reserves established for book purposes but not deductible for tax. Income tax benefits provided by the Company to the consolidated group as a result of utilizing operating losses will be reimbursed by the parent company pursuant to a signed agreement between the Companies. The income tax expense consists of the following for the year ended June 30, 2006:

Current provision:	
Federal	\$ 1,410,647
State and local	-
Total current provision	1,410,647
Deferred provision	(71,133)
Total provision for income taxes	<u>\$ 1,339,514</u>

The effective tax rate is different than the amount that would be computed by applying the United States corporate income tax rate to the income before income taxes. The differences are due primarily to changes in the deferred tax assets associated with amounts payable to providers which are not currently deductible for tax purposes.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(5) Related-party transactions

Centene, CenCorp Health Solutions and affiliated companies provide administrative and other services to Cenpatico, including systems functions, accounts payable and payroll processing. Included in general and administrative expenses is an allocation of the costs of the administrative services provided by affiliated companies. Cenpatico's allocation was approximately \$2.2 million for the year ended June 30, 2006.

Amounts due to affiliated companies at June 30, 2006 primarily represent payroll and trade accounts payable, which are payable to Centene and subsidiaries.

Under the provisions of the Contract with ADHS, distributions may be paid only to the extent of allowable profit in each of the funding sources as defined. For the year ended June 30, 2006, no distributions were declared or paid.

(6) Pension plan

Cenpatico participates in the retirement plan of its parent company, Centene. Centene has a defined benefit contribution plan which covers substantially all of its employees who work at least 1,000 hours in a twelve consecutive month period and are at least twenty-one years of age. Under the plan, eligible employees may contribute a percentage of their base salary, subject to certain limitations. Centene may elect to match a portion of the employees' contribution. Cenpatico's expense related to matching contributions to the plan was \$56,786 during the year ended June 30, 2006.

(7) Commitments and contingencies

Operating Leases - Cenpatico leases office space in Arizona for their headquarters, various case management clinics and certain equipment under operating lease agreements expiring at various dates through July 2012. Certain operating leases contain escalation provisions. The rental expense related to these leases is recorded on a straight-line basis over the lease term, including rent holidays. The difference between rent expense and rent paid due to recording expenses on the straight-line method of approximately \$50,000 is included in accounts payable and accrued expenses in the accompanying balance sheet. In the normal course of business, operating leases are generally renewed or replaced by other leases. Minimum future payments under these non-cancelable operating leases as of June 30, 2006 are as follows:

Years Ending June 30,

2007	\$	592,441
2008		601,411
2009		602,232
2010		611,321
2011		593,700
Thereafter		427,494
Total minimum lease payments	\$	<u>3,428,599</u>

Rent expense for the year ended June 30, 2006 was approximately \$313,000.

Liability insurance - Cenpatico, through Centene, maintains professional and general liability insurance coverage under claims-made policies. Centene is insured for losses up to \$10 million per claim and in the aggregate, with a self-insured retention of \$1 million under its professional liability policy. Centene is insured for losses up to \$1 million per claim and \$2 million in the aggregate under its general liability policy. Cenpatico is also covered under an umbrella policy providing for professional and general liability coverage up to a \$15 million per claim and in the aggregate.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(7) Commitments and contingencies (continued)

Claims reported endorsement (tail coverage) is available if the policy is not renewed to cover claims incurred but not reported. Cenpatico anticipates that renewal coverage will be available at expiration of the current policy. Cenpatico participates in the above policy with its affiliates. Per claim and aggregate limits are applicable to all covered entities as a group.

Litigation - Cenpatico is routinely subject to legal proceedings in the normal course of business. While the ultimate resolution of such matters is uncertain, Cenpatico does not expect the results of these matters to have a material effect on its financial position or results of operations.

Healthcare regulation - The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. At June 30, 2006, Cenpatico was not a Medicare certified facility and did not derive any of its revenue from the provision of services to Medicare beneficiaries. Management believes that Cenpatico is in compliance with fraud and abuse laws and regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future review and interpretation as well as regulatory actions unknown or unasserted at this time.

(8) Contract requirements

In accordance with its contract with ADHS, Cenpatico is required to maintain certain minimum financial reporting and viability measures.

Pursuant to its contract with ADHS, Cenpatico must maintain unrestricted, minimum capitalization of at least 90% of the monthly capitation and Non-Title XIX/XXI payments received under the contract. At June 30, 2006, Cenpatico was not in compliance with this requirement.

Cenpatico's contract with ADHS contains various quarterly financial performance requirements, including required minimum liquidity ratio, administrative cost percentages and service expense percentages. Cenpatico was not in compliance with certain administrative expense percentages and certain service expense percentages. Cenpatico has approved variances in certain viability ratios to meet behavioral health community needs. Cenpatico has informed ADHS of the reasons for these variances and ADHS has not informed Cenpatico of any required corrective action.

As discussed in Note 1, Cenpatico is limited by the terms of its contract with ADHS to profit that can be earned under the various programs. Contract profit limitations are applied in an after-tax basis. Also, if Cenpatico's profit exceeds the profit limitations resulting in the reduction of recognized revenue, the related tax effect of that reduction is not considered for purposes of the profit limitation.

Should Cenpatico be in default of any material obligations under its contract with ADHS, ADHS may, at its discretion, in addition to other remedies, either adjust the amount of future payment or withhold future payment until satisfactory resolution of the default or exception. In addition, although it has not expressed an intention to do so, ADHS has the right to terminate the contract in whole or in part without cause by giving Cenpatico 90 days written notice. Further, if monies are not appropriated by the state or are not otherwise available, the contract with ADHS may be cancelled upon written notice until such monies are so appropriated or available.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

(8) Contract requirements (continued)

As of June 30, 2006, Cenpatico has reported less than the minimum number of encounters as stipulated in the Contract and is subject to a potential recoupment by ADHS of approximately \$3 million if no more encounters are submitted or if encounters ultimately submitted by providers differ in program type from those submitted to Cenpatico through the date of this report. This amount has been recorded as a payable to ADHS in the accompanying financial statements, as Cenpatico expects that less than the minimum number of encounters will be submitted for eight fund sources. Cenpatico has until February 28, 2007 to submit encounters related to the year ended June 30, 2006. In addition, ADHS has a right to sanction Cenpatico for other matters of non-compliance of the Contract, as determined by ADHS. Cenpatico recorded approximately \$8,000 as administrative expenses for sanctions for the year ended June 30, 2006.

(9) Concentration of credit risk

Cenpatico currently holds a contract with ADHS to provide services through June 30, 2008 with a provision for two one-year extensions. Management expects the contract to be renewed through the respective renewal process.

SUPPLEMENTAL INFORMATION

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 1 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 2 and GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXIXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXIXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																							
Revenue Under ADHS Contract	20,310,477	7,656,824	850,201	909,830	1,229,955	-	25,326,224	484,382	7,016,975	165,528	17,388	-	18,953,627	152,313	313,015	3,359,511	1,094,720	3,600	433,573	-	88,278,143	-	88,278,143
Specialty & Other Grants*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Client Fees (Co-pays)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medicare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	604,119	604,119
Other Funding Sources - Non ADHS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrelated Business Activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	20,310,477	7,656,824	850,201	909,830	1,229,955	-	25,326,224	484,382	7,016,975	165,528	17,388	-	18,953,627	152,313	313,015	3,359,511	1,094,720	3,600	433,573	-	88,278,143	604,119	88,882,262
EXPENSES																							
Service Expenses:																							
Treatment Services																							
Counseling:																							
Counseling, Individual	2,918,013	1,265,383	82,173	198,309	341,692	-	993,493	52,409	360,563	9,784	18,475	-	3,779,491	41,031	193,434	389,981	-	-	73,814	-	10,718,045	-	10,718,045
Counseling, Family	20,206	3,935	6,150	704	2,275	-	694	164	4,489	-	-	-	327	-	-	-	-	-	-	-	38,944	-	38,944
Counseling, Group	406	178	-	-	-	-	1,491	-	571	-	-	-	702	-	-	-	-	-	-	-	3,348	-	3,348
Consultation, Assessment & Specialized Testing	580,854	269,149	24,566	36,991	70,481	-	306,001	27,636	94,036	2,218	1,696	-	1,689,454	26,758	91,833	131,110	-	-	24,310	178	3,377,271	-	3,377,271
Other Professional	-	-	-	403,277	-	-	97	-	516,375	-	-	-	-	-	172,556	14,647	-	-	4,102	-	1,111,054	-	1,111,054
Total Treatment Services	3,519,479	1,538,645	112,889	639,281	414,448	-	1,301,776	80,209	976,034	12,002	20,171	-	5,469,974	67,789	457,823	535,738	-	-	102,226	178	15,248,662	-	15,248,662
Rehabilitation Services																							
Living Skills Training	37,212	15,540	4,347	1,465	5,042	-	733,393	50,411	187,478	60	-	-	68,026	-	20,955	540	-	-	244	-	1,124,713	-	1,124,713
Cognitive Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Promotion	9,879	4,335	262	1,332	3,279	-	30,051	1,378	11,732	-	-	-	39,451	381	2,363	4,101	-	-	1,131	-	109,675	-	109,675
Supported Employment Services	44	19	-	-	-	-	470,117	8,469	56,330	-	-	-	1,177,543	-	187	24,136	-	-	2,949	-	1,739,794	-	1,739,794
Total Rehabilitation Services	47,135	19,894	4,609	2,797	8,321	-	1,233,561	60,258	255,540	60	-	-	1,285,020	381	23,505	28,777	-	-	4,324	-	2,974,181	-	2,974,181
Medical Services																							
Medication Services	832	365	-	-	-	-	58,598	7	6,127	-	-	-	70,715	890	163	23,322	-	-	2,855	-	163,874	-	163,874
Medical Management	416,289	199,100	55,457	14,317	69,751	-	737,047	46,667	194,233	5,361	1,529	-	768,023	11,157	25,972	9,557	-	-	2,354	509	2,556,323	-	2,556,323
Laboratory, Radiology & Medical Imaging	7,086	87	754	165	904	-	36,375	591	8,899	47	-	-	43,378	650	1,976	8,489	-	-	875	-	110,276	-	110,276
Electro-Convulsive Therapy	-	-	-	-	-	-	-	-	737	-	-	-	-	-	-	-	-	-	-	-	737	-	737
Total Medical Services	424,207	199,552	56,211	14,482	70,655	-	832,020	47,265	209,996	5,408	1,529	-	882,116	12,697	28,111	41,368	-	-	6,084	509	2,831,210	-	2,831,210
Support Services																							
Case Management	2,682,717	1,263,478	138,067	146,504	243,697	-	4,961,573	174,299	1,016,983	13,604	3,622	-	3,568,399	19,472	907,993	160,478	-	-	41,436	2,889	15,345,211	-	15,345,211
Personal Assistance	23,444	9,730	3,747	574	4,333	-	464,414	158,443	49,895	122	106	-	91,824	219	27,643	721	-	-	363	-	835,578	-	835,578
Family Support	99,525	48,642	5,085	2,265	4,225	-	34,160	3,808	6,432	-	-	-	38,843	-	615	2,359	-	-	297	136	246,392	-	246,392
Peer Support	41,356	20,624	555	1,297	2,822	-	218,253	925	72,100	330	-	-	188,647	52	6,270	11,427	-	-	1,688	-	566,346	-	566,346
Therapeutic Foster Care Services	1,421,824	561,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,983,202	-	1,983,202
Respite Care	162,053	66,114	11,126	3,596	8,758	-	39,192	99	12,894	-	-	-	24,534	-	-	-	-	-	-	-	328,366	-	328,366
Housing Support	-	-	-	-	-	-	-	-	242,636	-	-	-	-	-	59,062	729	-	-	1,005	-	303,432	-	303,432
Interpreter Services	-	-	-	26,132	-	-	-	-	3,842	-	-	-	-	-	11,508	-	-	-	119	-	41,601	-	41,601
Flex Fund Services	-	-	-	13,718	-	-	-	-	24,408	-	-	-	-	-	13,386	-	-	-	95	-	51,607	-	51,607
Transportation	620,511	110,034	16,353	11,058	28,907	-	1,363,347	54,027	210,647	5,080	125	-	1,077,538	1,927	39,364	33,254	-	-	5,304	-	3,577,476	-	3,577,476
Block Purchase NTXIX Consumer Drop In Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	5,051,430	2,080,000	174,933	205,144	292,742	-	7,080,939	391,601	1,639,837	19,136	3,853	-	4,989,785	21,670	1,065,841	208,968	-	-	50,307	3,025	23,279,211	-	23,279,211
Crisis Intervention Services																							
Crisis Intervention - Mobile	119,602	57,629	5,777	20,689	9,658	-	260,303	8,000	86,478	805	157	-	565,208	1,096	312,119	136,658	-	-	22,383	-	1,606,562	-	1,606,562
Crisis Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crisis Phones	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Crisis Intervention Services	119,602	57,629	5,777	20,689	9,658	-	260,303	8,000	86,478	805	157	-	565,208	1,096	312,119	136,658	-	-	22,383	-	1,606,562	-	1,606,562

Amounts expressed in whole dollars, differences are due to rounding

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 1 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 2 and GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Service Expenses (continued)																							
Inpatient Services																							
Hospital:																							
Psychiatric (Provider Types 02 & 71)	800,800	-	107,200	-	94,400	-	684,800	-	356,000	-	-	-	403,200	-	-	-	-	-	-	-	2,446,400	-	2,446,400
Detoxification (Provider Types 02 & 71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-acute Facility:																							
Psychiatric (Provider Types B5 & B6)	321,600	-	16,000	-	20,800	-	2,708,800	5,600	695,200	-	-	-	1,356,000	-	-	-	-	-	-	-	5,124,000	-	5,124,000
Detoxification (Provider Types B5 & B6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Treatment Center (RTC):																							
Psychiatric - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	1,844,700	6,325	-	-	67,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,918,675	-	1,918,675
Detoxification - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inpatient Services, Professional	-	-	-	-	-	-	46,155	-	3,044	315	-	-	25,067	-	1,085	-	-	-	21	-	75,687	-	75,687
Total Inpatient Services	2,967,100	6,325	123,200	-	182,850	-	3,439,755	5,600	1,054,244	315	-	-	1,784,267	-	1,085	-	-	-	21	-	9,564,762	-	9,564,762
Residential Services																							
Level II Behavioral Health Residential Facilities	3,632,285	240,178	-	5,545	34,300	-	3,091,659	-	254,316	-	-	-	1,428,159	2,044	22,417	97,867	-	-	13,458	-	8,822,228	-	8,822,228
Level III Behavioral Health Residential Facilities	-	-	-	-	-	-	21,166	-	-	-	-	-	-	-	-	-	-	-	-	-	21,166	-	21,166
Room and Board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residential Services	3,632,285	240,178	-	5,545	34,300	-	3,112,825	-	254,316	-	-	-	1,428,159	2,044	22,417	97,867	-	-	13,458	-	8,843,394	-	8,843,394
Behavioral Health Day Program																							
Supervised Day Program	133	71	-	-	-	-	74,835	1,463	6,926	-	-	-	2,704	-	755	-	-	-	23	-	86,909	-	86,909
Therapeutic Day Program	36,519	15,284	2,325	-	20,849	-	684,364	26,886	152,144	8,559	-	-	92,453	-	1,065	488	-	-	162	-	1,041,098	-	1,041,098
Medical Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Behavioral Health Day Program	36,652	15,355	2,325	-	20,849	-	759,199	28,349	159,070	8,559	-	-	95,157	-	1,820	488	-	-	185	-	1,128,008	-	1,128,008
Prevention Services																							
Prevention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	944,208	-	-	-	944,208	-	944,208
HIV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,363	-	-	-	-	99,363	-	99,363
Total Prevention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,363	944,208	-	-	-	1,043,571	-	1,043,571
Medication																							
Medication Expense	1,957,249	-	234,009	17,581	219,032	-	4,440,323	440,209	1,709,614	27,446	6,030	-	3,348,732	27,484	136,098	-	-	-	-	-	12,563,807	-	12,563,807
Less Pharmacy Rebate Received	(7,359)	-	(862)	(47)	(811)	-	(18,792)	(2,041)	(6,803)	-	(25)	-	(13,461)	(214)	(476)	-	-	-	-	-	(50,891)	-	(50,891)
Pharmacy Rebate Related Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Medication Services	1,949,890	-	233,147	17,534	218,221	-	4,421,531	438,168	1,702,811	27,446	6,005	-	3,335,271	27,270	135,622	-	-	-	-	-	12,512,916	-	12,512,916
Other ADHS Service Expenses Not Rpt'd Above*	772,595	-	-	-	-	-	-	-	372,100	-	-	-	-	-	-	151,911	-	3,060	93,750	-	1,393,416	-	1,393,416
ADHS/DOC COOL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal ADHS Service Expenses	18,520,375	4,156,578	713,091	905,472	1,252,044	-	22,441,909	1,059,450	6,710,426	73,731	31,715	-	19,834,957	132,947	2,048,343	1,301,138	944,208	3,060	292,738	3,712	80,425,894	-	80,425,894
Service Expenses from Non ADHS Sources*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Service Expense	18,520,375	4,156,578	713,091	905,472	1,252,044	-	22,441,909	1,059,450	6,710,426	73,731	31,715	-	19,834,957	132,947	2,048,343	1,301,138	944,208	3,060	292,738	3,712	80,425,894	-	80,425,894
Administrative Expenses:																							
Salaries	685,248	301,675	30,064	32,126	43,676	-	896,108	17,128	248,718	5,775	607	-	670,221	5,374	11,069	118,619	38,711	-	15,328	-	3,120,447	-	3,120,447
Employee Benefits	72,952	32,116	3,200	3,420	4,649	-	95,400	1,823	26,479	614	65	-	71,352	572	1,179	12,628	4,121	-	1,632	-	332,202	-	332,202
Professional & Outside Services	109,448	48,184	4,802	5,132	6,976	-	143,127	2,736	39,726	923	97	-	107,048	858	1,768	18,946	6,183	-	2,449	-	498,403	-	498,403
Travel	40,441	17,803	1,774	1,896	2,578	-	52,886	1,011	14,679	341	36	-	39,554	317	653	7,001	2,285	-	904	-	184,159	-	184,159
Occupancy	101,566	44,714	4,456	4,762	6,474	-	132,820	2,539	36,865	856	90	-	99,340	797	1,640	17,581	5,737	-	2,272	-	462,509	-	462,509
Depreciation	20,938	9,218	918	982	1,335	-	27,381	523	7,600	177	19	-	20,479	184	338	3,625	1,182	-	468	-	95,347	-	95,347
All Other Operating*	579,501	218,512	24,252	26,120	36,477	-	722,623	13,821	201,337	7,045	531	-	540,770	4,564	8,981	96,207	31,205	-	12,359	-	2,524,305	-	2,524,305
Subtotal ADHS Administrative Expenses	1,610,094	672,222	69,466	74,438	102,165	-	2,070,345	39,581	575,404	15,731	1,445	-	1,548,764	12,646	25,628	274,607	89,424	-	35,412	-	7,217,372	-	7,217,372
Non ADHS Administrative Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrelated Admin. Expense*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Administrative Expense	1,610,094	672,222	69,466	74,438	102,165	-	2,070,345	39,581	575,404	15,731	1,445	-	1,548,764	12,646	25,628	274,607	89,424	-	35,412	-	7,217,372	-	7,217,372
Unrelated Business Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income Tax Provisions																							
ADHS Income Tax Provision	153,243	1,734,801	22,843	(4,586)	(96,412)	-	236,401	(207,606)	(962)	53,153	(2,574)	-	(820,849)	6,851	(594,780)	634,347	(12,932)	182	35,601	(1,254)	1,135,467	204,047	1,339,514
Non ADHS Income Tax Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Income Tax Provision	153,243	1,734,801	22,843	(4,586)	(96,412)	-	236,401	(207,606)	(962)	53,153	(2,574)	-	(820,849)	6,851	(594,780)	634,347	(12,932)	182	35,601	(1,254)	1,135,467	204,047	1,339,514
TOTAL EXPENSES	20,283,712	6,563,601	805,400	975,324	1,257,797	-	24,748,655	891,425	7,284,868	142,615	30,586	-	20,562,872	152,444	1,479,191	2,210,092	1,020,700	3,242	363,751	2,458	88,778,733	204,047	88,982,780
INC/(DEC) IN NET ASSETS																							
	26,765	1,093,223	44,801	(65,494)	(27,842)	-	577,569	(407,043)	(267,893)	22,913	(13,198)	-	(1,609,245)	(131)	(1,166,176)	1,149,419	74,020	358	69,822	(2,458)	(500,590)	400,072	(100,518)

*Disclose on Schedule 2

Amounts expressed in whole dollars, differences are due to rounding

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 2
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXIX CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXIX ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																							
Revenue Under ADHS Contract	8,800,939	3,020,998	246,299	385,931	460,863	-	13,872,574	105,798	2,624,077	85,192	8,382	-	6,435,468	63,598	113,617	1,513,653	473,394	3,600	213,898	-	38,428,281	-	38,428,281
Specialty & Other Grants*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Client Fees (Co-pays)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medicare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	263,096	263,096
Other Funding Sources - Non ADHS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrelated Business Activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	8,800,939	3,020,998	246,299	385,931	460,863	-	13,872,574	105,798	2,624,077	85,192	8,382	-	6,435,468	63,598	113,617	1,513,653	473,394	3,600	213,898	-	38,428,281	263,096	38,691,377
EXPENSES																							
Service Expenses:																							
Treatment Services																							
Counseling:																							
Counseling, Individual	480,599	202,012	5,323	26,035	40,526	-	361,941	2,508	68,185	4,542	441	-	1,007,814	13,055	63,089	227,526	-	-	28,763	-	2,532,359	-	2,532,359
Counseling, Family	8,656	-	-	-	-	-	481	-	4,489	-	-	-	-	-	-	-	-	-	-	-	13,626	-	13,626
Counseling, Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultation, Assessment & Specialized Testing	193,668	100,140	6,620	9,324	23,579	-	136,657	5,609	26,113	1,586	-	-	658,047	9,875	48,660	82,483	-	-	10,796	178	1,313,335	-	1,313,335
Other Professional	-	-	-	369,468	-	-	71	-	198,799	-	-	-	-	-	92,625	13,362	-	-	3,202	-	677,527	-	677,527
Total Treatment Services	682,923	302,152	11,943	404,827	64,105	-	499,150	8,117	297,586	6,128	441	-	1,665,861	22,930	204,374	323,371	-	-	42,761	178	4,536,847	-	4,536,847
Rehabilitation Services																							
Living Skills Training	3,445	751	-	307	282	-	29,524	11	13,277	-	-	-	29,023	-	-	506	-	-	87	-	77,213	-	77,213
Cognitive Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Promotion	84	45	-	-	-	-	28	-	14	-	-	-	306	381	-	-	-	-	-	-	858	-	858
Supported Employment Services	-	-	-	-	-	-	22,083	-	19	-	-	-	1,158,148	-	-	24,136	-	-	2,948	-	1,208,334	-	1,208,334
Total Rehabilitation Services	3,529	796	-	307	282	-	51,635	11	13,310	-	-	-	1,188,477	381	-	24,642	-	-	3,035	-	1,286,405	-	1,286,405
Medical Services																							
Medication Services	-	-	-	-	-	-	49,372	-	2,083	-	-	-	69,089	890	163	23,322	-	-	2,855	-	147,774	-	147,774
Medical Management	163,237	87,271	13,705	3,865	27,416	-	406,990	12,310	57,758	1,711	441	-	272,438	4,162	9,272	3,944	-	-	718	509	1,065,747	-	1,065,747
Laboratory, Radiology & Medical Imaging	3,515	-	600	-	348	-	31,222	-	5,324	-	-	-	30,238	407	1,454	8,157	-	-	875	-	82,140	-	82,140
Electro-Convulsive Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Medical Services	166,752	87,271	14,305	3,865	27,764	-	487,584	12,310	65,165	1,711	441	-	371,765	5,459	10,889	35,423	-	-	4,448	509	1,295,661	-	1,295,661
Support Services																							
Case Management	1,153,434	596,574	38,751	60,094	82,442	-	2,551,730	24,537	376,348	2,432	447	-	1,523,448	6,419	270,941	74,326	-	-	13,524	2,373	6,775,820	-	6,775,820
Personal Assistance	2,582	1,384	74	25	108	-	171,860	3,382	21,767	122	12	-	75,020	219	1,416	526	-	-	124	-	278,621	-	278,621
Family Support	51,577	27,642	116	1,323	213	-	11,341	-	384	-	-	-	26,686	-	615	2,369	-	-	297	136	122,689	-	122,689
Peer Support	25,709	13,778	-	335	229	-	77,353	63	21,019	-	-	-	119,763	35	1,262	10,884	-	-	1,288	-	270,918	-	270,918
Therapeutic Foster Care Services	457,891	175,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	632,914	-	632,914
Respite Care	29,637	15,884	776	1,895	106	-	1,692	71	141	-	-	-	141	-	-	-	-	-	-	-	50,343	-	50,343
Housing Support	-	-	-	-	-	-	-	-	154,499	-	-	-	-	-	14,932	-	-	-	495	-	169,926	-	169,926
Interpreter Services	-	-	-	5,464	-	-	-	-	2,505	-	-	-	-	-	4,881	-	-	-	72	-	12,922	-	12,922
Flex Fund Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	409,193	23,573	1,085	1,556	1,942	-	858,545	9,931	67,388	73	-	-	760,989	790	28,076	27,061	-	-	3,542	-	2,193,744	-	2,193,744
Block Purchase NTXIX Consumer Drop In Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	2,130,023	853,858	38,802	70,692	85,040	-	3,672,521	37,984	644,051	2,627	459	-	2,506,047	7,463	322,123	114,956	-	-	19,342	2,509	10,507,897	-	10,507,897
Crisis Intervention Services																							
Crisis Intervention - Mobile	53,561	28,705	145	1,934	4,958	-	148,670	-	31,960	727	-	-	355,316	740	183,929	121,854	-	-	17,488	-	949,987	-	949,987
Crisis Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crisis Phones	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Crisis Intervention Services	53,561	28,705	145	1,934	4,958	-	148,670	-	31,960	727	-	-	355,316	740	183,929	121,854	-	-	17,488	-	949,987	-	949,987

Amounts expressed in whole dollars, differences are due to rounding

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 2
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
Service Expenses (continued)																								
Inpatient Services																								
Hospital:																								
Psychiatric (Provider Types 02 & 71)	189,600	-	-	-	61,600	-	193,600	-	16,800	-	-	-	111,200	-	-	-	-	-	-	-	-	572,800	-	572,800
Detoxification (Provider Types 02 & 71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-acute Facility:																								
Psychiatric (Provider Types B5 & B6)	212,800	-	-	-	16,800	-	1,587,200	-	327,200	-	-	-	536,800	-	-	-	-	-	-	-	-	2,680,800	-	2,680,800
Detoxification (Provider Types B5 & B6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Treatment Center (RTC):																								
Psychiatric - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	1,007,050	6,325	-	-	33,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,047,200	-	1,047,200
Detoxification - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inpatient Services, Professional	-	-	-	-	-	-	46,155	-	3,044	315	-	-	25,067	-	1,085	-	-	-	-	21	-	75,687	-	75,687
Total Inpatient Services	1,409,450	6,325	-	-	112,225	-	1,826,955	-	347,044	315	-	-	673,067	-	1,085	-	-	-	-	21	-	4,376,487	-	4,376,487
Residential Services																								
Level II Behavioral Health Residential Facilities	3,498,788	196,769	-	-	9,993	-	1,527,759	-	12,260	-	-	-	788,152	-	5,929	83,451	-	-	-	10,285	-	6,133,386	-	6,133,386
Level III Behavioral Health Residential Facilities Room and Board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residential Services	3,498,788	196,769	-	-	9,993	-	1,527,759	-	12,260	-	-	-	788,152	-	5,929	83,451	-	-	-	10,285	-	6,133,386	-	6,133,386
Behavioral Health Day Program																								
Supervised Day Program	133	71	-	-	-	-	74,835	1,463	6,926	-	-	-	2,704	-	755	-	-	-	-	23	-	86,909	-	86,909
Therapeutic Day Program	-	-	-	-	-	-	126,015	8,495	11,699	-	-	-	61,639	-	-	-	-	-	-	22	-	207,870	-	207,870
Medical Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Behavioral Health Day Program	133	71	-	-	-	-	200,850	9,958	18,625	-	-	-	64,343	-	755	-	-	-	-	45	-	294,779	-	294,779
Prevention Services																								
Prevention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	364,808	-	-	-	-	364,808	-	364,808
HIV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,718	-	-	-	-	-	47,718	-	47,718
Total Prevention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,718	364,808	-	-	-	-	412,526	-	412,526
Medication																								
Medication Expense	509,630	-	63,890	5,095	69,762	-	1,917,708	148,341	462,471	8,688	446	-	1,153,772	9,415	32,144	-	-	-	-	-	-	4,381,362	-	4,381,362
Less Pharmacy Rebate Received	(1,872)	-	(231)	(16)	(257)	-	(7,881)	(661)	(1,800)	-	(1)	-	(4,526)	(64)	(112)	-	-	-	-	-	-	(17,421)	-	(17,421)
Pharmacy Rebate Related Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Medication Services	507,758	-	63,659	5,079	69,505	-	1,909,827	147,680	460,671	8,688	445	-	1,149,246	9,351	32,032	-	-	-	-	-	-	4,363,941	-	4,363,941
Other ADHS Service Expenses Not Rpt'd Above* ADHS/DOC COOL	288,821	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,767	-	-	3,060	46,835	-	406,523	-	406,523
Subtotal ADHS Service Expenses	8,741,738	1,475,947	128,854	486,704	373,872	-	10,324,951	216,060	1,890,672	20,196	1,786	-	8,762,274	46,324	761,116	818,582	364,808	3,060	144,300	3,196	-	34,564,440	-	34,564,440
Service Expenses from Non ADHS Sources*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Service Expense	8,741,738	1,475,947	128,854	486,704	373,872	-	10,324,951	216,060	1,890,672	20,196	1,786	-	8,762,274	46,324	761,116	818,582	364,808	3,060	144,300	3,196	-	34,564,440	-	34,564,440
Administrative Expenses:																								
Salaries	311,211	106,773	8,709	13,647	16,263	-	490,550	3,741	93,292	2,934	289	-	227,565	2,237	4,018	53,436	16,740	-	7,560	-	-	1,358,965	-	1,358,965
Employee Benefits	33,132	11,367	927	1,453	1,731	-	52,224	398	9,932	312	31	-	24,227	238	428	5,689	1,782	-	805	-	-	144,676	-	144,676
Professional & Outside Services	49,707	17,054	1,391	2,180	2,598	-	78,351	598	14,901	469	46	-	36,347	357	642	8,535	2,674	-	1,208	-	-	217,058	-	217,058
Travel	18,367	6,301	514	805	960	-	28,951	221	5,506	173	17	-	13,430	132	237	3,154	988	-	446	-	-	80,202	-	80,202
Occupancy	46,127	15,826	1,291	2,023	2,411	-	72,709	555	13,828	435	43	-	33,730	332	595	7,920	2,481	-	1,121	-	-	201,427	-	201,427
Depreciation	9,509	3,263	266	417	497	-	14,989	114	2,851	90	9	-	6,953	68	123	1,633	511	-	231	-	-	41,524	-	41,524
All Other Operating*	251,144	86,214	7,026	11,089	13,796	-	395,868	3,020	75,450	4,646	262	-	183,643	1,914	3,264	43,385	13,494	-	6,097	-	-	1,100,312	-	1,100,312
Subtotal ADHS Administrative Expenses	719,197	246,798	20,124	31,614	38,256	-	1,133,642	8,647	215,760	9,059	697	-	525,895	5,278	9,307	123,752	38,670	-	17,468	-	-	3,144,164	-	3,144,164
Non ADHS Administrative Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrelated Admin. Expense*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Administrative Expense	719,197	246,798	20,124	31,614	38,256	-	1,133,642	8,647	215,760	9,059	697	-	525,895	5,278	9,307	123,752	38,670	-	17,468	-	-	3,144,164	-	3,144,164
Unrelated Business Expenses*																								
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income Tax Provisions																								
ADHS Income Tax Provision	(222,948)	529,845	32,870	(44,715)	30,669	-	815,301	(40,163)	263,858	46,355	4,746	-	(963,549)	8,634	(221,843)	208,239	7,496	182	17,602	(1,080)	471,499	88,863	560,362	
Non ADHS Income Tax Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Income Tax Provision	(222,948)	529,845	32,870	(44,715)	30,669	-	815,301	(40,163)	263,858	46,355	4,746	-	(963,549)	8,634	(221,843)	208,239	7,496	182	17,602	(1,080)	471,499	88,863	560,362	
TOTAL EXPENSES	9,237,987	2,252,590	181,848	473,603	442,797	-	12,273,894	184,544	2,370,290	75,610	7,229	-	8,324,620	60,236	548,580	1,150,573	410,974	3,242	179,370	2,116	38,180,103	88,863	38,268,966	
INC/(DEC) IN NET ASSETS																								
-	(437,048)	768,408	64,451	(87,672)	18,066	-	1,598,680	(78,746)	253,787	9,582	1,153	-	(1,889,152)	3,362	(434,963)	363,080	62,420	358	34,528	(2,116)	248,178	174,233	422,411	

*Disclose on Schedule 2

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 3 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																							
Revenue Under ADHS Contract	11,509,538	4,635,826	603,902	523,899	769,092	-	11,453,650	378,584	4,392,898	80,336	9,006	-	12,518,159	88,715	199,398	1,845,858	621,326	-	219,675	-	49,849,862	-	49,849,862
Specialty & Other Grants*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Client Fees (Co-pays)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medicare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	341,023	341,023
Other Funding Sources - Non ADHS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrelated Business Activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	11,509,538	4,635,826	603,902	523,899	769,092	-	11,453,650	378,584	4,392,898	80,336	9,006	-	12,518,159	88,715	199,398	1,845,858	621,326	-	219,675	-	49,849,862	341,023	50,190,885
EXPENSES																							
Service Expenses:																							
Treatment Services																							
Counseling:																							
Counseling, Individual	2,437,414	1,063,371	76,850	172,274	301,166	-	631,552	49,901	292,378	5,242	18,034	-	2,771,677	27,976	130,345	162,455	-	-	45,051	-	8,185,686	-	8,185,686
Counseling, Family	11,550	3,935	6,150	704	2,275	-	213	164	-	-	-	-	327	-	-	-	-	-	-	-	25,318	-	25,318
Counseling, Group	406	178	-	-	-	-	1,491	-	571	-	-	-	702	-	-	-	-	-	-	-	3,348	-	3,348
Consultation, Assessment & Specialized Testing	387,186	169,009	17,946	27,667	46,902	-	169,344	22,027	67,923	632	1,696	-	1,031,407	16,883	43,173	48,627	-	-	13,514	-	2,063,936	-	2,063,936
Other Professional	-	-	-	33,809	-	-	26	-	317,576	-	-	-	-	-	79,931	1,285	-	-	900	-	433,527	-	433,527
Total Treatment Services	2,836,556	1,236,493	100,946	234,454	350,343	-	802,626	72,092	678,448	5,874	19,730	-	3,804,113	44,859	253,449	212,367	-	-	59,465	-	10,711,815	-	10,711,815
Rehabilitation Services																							
Living Skills Training	33,767	14,789	4,347	1,158	4,760	-	703,869	50,400	174,201	60	-	-	39,003	-	20,955	34	-	-	157	-	1,047,500	-	1,047,500
Cognitive Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Promotion	9,795	4,290	262	1,332	3,279	-	30,023	1,378	11,718	-	-	-	39,145	-	2,363	4,101	-	-	1,131	-	108,817	-	108,817
Supported Employment Services	44	19	-	-	-	-	448,034	8,469	56,311	-	-	-	18,395	-	187	-	-	-	1	-	531,460	-	531,460
Total Rehabilitation Services	43,606	19,098	4,609	2,490	8,039	-	1,181,926	60,247	242,230	60	-	-	96,543	-	23,505	4,135	-	-	1,289	-	1,687,776	-	1,687,776
Medical Services																							
Medication Services	832	365	-	-	-	-	9,226	7	4,044	-	-	-	1,626	-	-	-	-	-	-	-	16,100	-	16,100
Medical Management	253,052	110,829	41,752	10,452	42,335	-	330,057	34,357	136,475	3,650	1,088	-	495,585	6,995	16,700	5,613	-	-	1,636	-	1,490,576	-	1,490,576
Laboratory, Radiology & Medical Imaging	3,571	87	154	165	556	-	5,153	591	3,575	47	-	-	13,140	243	522	332	-	-	-	-	28,136	-	28,136
Electro-Convulsive Therapy	-	-	-	-	-	-	-	-	737	-	-	-	-	-	-	-	-	-	-	-	737	-	737
Total Medical Services	257,455	111,281	41,906	10,617	42,891	-	344,436	34,955	144,831	3,697	1,088	-	510,351	7,238	17,222	5,945	-	-	1,636	-	1,535,549	-	1,535,549
Support Services																							
Case Management	1,529,283	666,904	101,316	86,410	161,255	-	2,409,843	149,762	640,635	11,172	3,175	-	2,044,951	13,053	637,052	86,152	-	-	27,912	516	8,569,391	-	8,569,391
Personal Assistance	20,862	8,346	3,673	549	4,225	-	292,554	155,061	28,128	-	94	-	16,804	-	26,227	195	-	-	239	-	556,957	-	556,957
Family Support	47,948	21,000	4,969	942	4,012	-	22,819	3,808	6,048	-	-	-	12,157	-	-	-	-	-	-	-	123,703	-	123,703
Peer Support	15,647	6,846	555	962	2,593	-	140,900	862	51,081	330	-	-	68,884	17	5,008	1,343	-	-	400	-	295,428	-	295,428
Therapeutic Foster Care Services	963,933	386,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,350,288	-	1,350,288
Respite Care	132,416	50,230	10,350	1,701	8,652	-	37,500	28	12,753	-	-	-	24,393	-	-	-	-	-	-	-	278,023	-	278,023
Housing Support	-	-	-	-	-	-	-	-	88,137	-	-	-	-	-	44,130	729	-	-	510	-	133,506	-	133,506
Interpreter Services	-	-	-	20,668	-	-	-	-	1,337	-	-	-	-	-	6,627	-	-	-	47	-	28,679	-	28,679
Flex Fund Services	-	-	-	13,718	-	-	-	-	24,408	-	-	-	-	-	13,386	-	-	-	95	-	51,607	-	51,607
Transportation	211,318	86,461	15,268	9,502	26,965	-	504,802	44,096	143,259	5,007	125	-	316,549	1,137	11,288	6,193	-	-	1,762	-	1,383,732	-	1,383,732
Block Purchase NTXIX Consumer Drop In Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	2,921,407	1,226,142	136,131	134,452	207,702	-	3,408,418	353,617	995,786	16,509	3,394	-	2,483,738	14,207	743,718	94,612	-	-	30,965	516	12,771,314	-	12,771,314
Crisis Intervention Services																							
Crisis Intervention - Mobile	66,041	28,924	5,632	18,755	4,700	-	111,633	8,000	54,518	78	157	-	209,892	356	128,190	14,804	-	-	4,895	-	656,575	-	656,575
Crisis Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crisis Phones	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Crisis Intervention Services	66,041	28,924	5,632	18,755	4,700	-	111,633	8,000	54,518	78	157	-	209,892	356	128,190	14,804	-	-	4,895	-	656,575	-	656,575

Amounts expressed in whole dollars, differences are due to rounding

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 3 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
Service Expenses (continued)																								
Inpatient Services																								
Hospital:																								
Psychiatric (Provider Types 02 & 71)	611,200	-	107,200	-	32,800	-	491,200	-	339,200	-	-	-	292,000	-	-	-	-	-	-	-	-	1,873,600	-	1,873,600
Detoxification (Provider Types 02 & 71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-acute Facility:																								
Psychiatric (Provider Types B5 & B6)	108,800	-	16,000	-	4,000	-	1,121,600	5,600	368,000	-	-	-	819,200	-	-	-	-	-	-	-	-	2,443,200	-	2,443,200
Detoxification (Provider Types B5 & B6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Treatment Center (RTC):																								
Psychiatric - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	837,650	-	-	-	33,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	871,475	-	871,475
Detoxification - Secure & Non-Secure (Provider Types 78,B1,B2,B3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inpatient Services, Professional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Inpatient Services	1,557,650	-	123,200	-	70,625	-	1,612,800	5,600	707,200	-	-	-	1,111,200	-	-	-	-	-	-	-	-	5,188,275	-	5,188,275
Residential Services																								
Level II Behavioral Health Residential Facilities	133,497	43,409	-	5,545	24,307	-	1,563,900	-	242,056	-	-	-	640,007	2,044	16,488	14,416	-	-	-	3,173	-	2,688,842	-	2,688,842
Level III Behavioral Health Residential Facilities	-	-	-	-	-	-	21,166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,166	-	21,166
Room and Board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residential Services	133,497	43,409	-	5,545	24,307	-	1,585,066	-	242,056	-	-	-	640,007	2,044	16,488	14,416	-	-	-	3,173	-	2,710,008	-	2,710,008
Behavioral Health Day Program																								
Supervised Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Therapeutic Day Program	36,519	15,284	2,325	-	20,849	-	558,349	18,391	140,445	8,559	-	-	30,814	-	1,065	488	-	-	-	140	-	833,228	-	833,228
Medical Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Behavioral Health Day Program	36,519	15,284	2,325	-	20,849	-	558,349	18,391	140,445	8,559	-	-	30,814	-	1,065	488	-	-	-	140	-	833,228	-	833,228
Prevention Services																								
Prevention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	579,400	-	-	-	-	579,400	-	579,400
HIV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,645	-	-	-	-	-	51,645	-	51,645
Total Prevention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,645	579,400	-	-	-	-	631,045	-	631,045
Medication																								
Medication Expense	1,447,619	-	170,119	12,486	149,270	-	2,522,615	291,868	1,247,143	18,758	5,584	-	2,194,960	18,069	103,954	-	-	-	-	-	-	8,182,445	-	8,182,445
Less Pharmacy Rebate Received	(5,487)	-	(631)	(31)	(554)	-	(10,911)	(1,380)	(5,003)	-	(24)	-	(8,935)	(150)	(364)	-	-	-	-	-	-	(33,470)	-	(33,470)
Pharmacy Rebate Related Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Medication Services	1,442,132	-	169,488	12,455	148,716	-	2,511,704	290,488	1,242,140	18,758	5,560	-	2,186,025	17,919	103,590	-	-	-	-	-	-	8,148,975	-	8,148,975
Other ADHS Service Expenses Not Rpt'd Above* ADHS/DOC COOL	483,774	-	-	-	-	-	-	-	372,100	-	-	-	-	-	-	84,144	-	-	-	46,875	-	986,893	-	986,893
Subtotal ADHS Service Expenses	9,778,637	2,680,631	584,237	418,768	878,172	-	12,116,958	843,390	4,819,754	53,535	29,929	-	11,072,683	86,623	1,287,227	482,556	579,400	-	148,438	516	45,861,454	-	45,861,454	
Service Expenses from Non ADHS Sources*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Service Expense	9,778,637	2,680,631	584,237	418,768	878,172	-	12,116,958	843,390	4,819,754	53,535	29,929	-	11,072,683	86,623	1,287,227	482,556	579,400	-	148,438	516	45,861,454	-	45,861,454	
Administrative Expenses:																								
Salaries	374,037	194,902	21,355	18,479	27,413	-	405,558	13,387	155,426	2,841	318	-	442,656	3,137	7,051	65,183	21,971	-	7,768	-	1,761,482	-	1,761,482	
Employee Benefits	39,820	20,749	2,273	1,967	2,918	-	43,176	1,425	16,547	302	34	-	47,125	334	751	6,839	2,339	-	827	-	187,526	-	187,526	
Professional & Outside Services	59,741	31,130	3,411	2,962	4,378	-	64,776	2,138	24,825	454	51	-	70,701	501	1,126	10,411	3,509	-	1,241	-	281,345	-	281,345	
Travel	22,074	11,502	1,260	1,091	1,618	-	23,935	790	9,173	168	19	-	26,124	185	416	3,847	1,297	-	458	-	103,957	-	103,957	
Occupancy	55,439	28,888	3,165	2,739	4,063	-	60,111	1,984	23,037	421	47	-	66,610	465	1,045	9,661	3,256	-	1,151	-	261,082	-	261,082	
Depreciation	11,429	5,955	652	565	838	-	12,392	409	4,749	87	10	-	13,526	96	215	1,892	671	-	237	-	53,823	-	53,823	
All Other Operating*	328,357	132,298	17,226	15,031	22,681	-	326,755	10,801	125,887	2,399	269	-	357,127	2,650	5,717	52,822	17,711	-	6,262	-	1,423,993	-	1,423,993	
Subtotal ADHS Administrative Expenses	890,897	425,424	49,342	42,824	63,909	-	936,703	30,934	359,644	6,672	748	-	1,022,869	7,368	16,321	150,855	50,754	-	17,944	-	4,073,208	-	4,073,208	
Non ADHS Administrative Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrelated Admin. Expense*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Administrative Expense	890,897	425,424	49,342	42,824	63,909	-	936,703	30,934	359,644	6,672	748	-	1,022,869	7,368	16,321	150,855	50,754	-	17,944	-	4,073,208	-	4,073,208	
Unrelated Business Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income Tax Provisions																								
ADHS Income Tax Provision	376,191	1,204,956	(10,027)	40,129	(127,081)	-	(578,900)	(167,443)	(264,820)	6,798	(7,320)	-	142,700	(1,783)	(372,937)	426,108	(20,428)	-	17,999	(174)	663,968	115,184	779,152	
Non ADHS Income Tax Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal Income Tax Provision	376,191	1,204,956	(10,027)	40,129	(127,081)	-	(578,900)	(167,443)	(264,820)	6,798	(7,320)	-	142,700	(1,783)	(372,937)	426,108	(20,428)	-	17,999	(174)	663,968	115,184	779,152	
TOTAL EXPENSES	11,045,725	4,311,011	623,552	501,721	815,000	-	12,474,761	706,881	4,914,578	67,005	23,357	-	12,238,252	92,208	930,611	1,059,519	609,726	-	184,381	342	50,598,630	115,184	50,713,814	

INC/(DEC) IN NET ASSETS
*Disclose on Schedule 2

463,813	324,815	(19,650)	22,178	(45,908)	-	(1,021,111)	(328,297)	(521,680)	13,331	(14,351)	-	279,907	(3,493)	(731,213)	786,339	11,600	-	35,294	(342)	(748,768)	225,839	(522,929)
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CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 4 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 2 and GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
DISCLOSURE OF OTHER ADHS REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other - Other Column	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER GRANTS REPORTED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER REVENUE REPORTED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UNRELATED BUSINESS ACTIVITIES REPORTED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Unrelated Business Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Block Provider Incentive Bonus Expense	772,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,875	-	-	819,470	-	819,470
Housing Acquisition and Rehabilitation Expense	-	-	-	-	-	-	-	-	372,100	-	-	-	-	-	-	-	-	-	46,875	-	-	418,975	-	418,975
SA Meth Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,911	-	-	-	-	-	151,911	-	151,911
PASRR Screening Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,060	-	-	-	3,060	-	3,060
Total All Other Behavioral Health Services	772,595	-	-	-	-	-	-	-	372,100	-	-	-	-	-	-	151,911	-	3,060	93,750	-	-	1,393,416	-	1,393,416

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 4 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 2 and GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
DISCLOSURE OF SERVICE EXPENSES FROM NON	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Service Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-ADHS Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF ALL OTHER OPERATING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Moving & Storage	487	196	25	23	32	-	485	16	186	3	-	-	529	4	9	78	26	-	9	-	2,108	-	2,108
Meeting Expense	1,234	497	65	56	83	-	1,229	41	471	9	1	-	1,342	9	21	198	67	-	23	-	5,346	-	5,346
Seminars	1,287	519	67	59	86	-	1,281	42	492	9	1	-	1,400	10	23	206	69	-	25	-	5,576	-	5,576
Postage	3,155	1,271	165	144	211	-	3,140	104	1,204	22	2	-	3,432	25	55	505	170	-	60	-	13,665	-	13,665
Messenger	172	69	9	7	12	-	172	5	66	2	-	-	188	2	3	28	9	-	3	-	747	-	747
Bank Charges	1,084	437	57	49	73	-	1,079	36	414	7	-	-	1,179	9	19	174	58	-	21	-	4,696	-	4,696
Sanctions/Penalties	543	251	16	184	1,417	-	689	13	1,172	2,327	35	-	488	222	59	585	-	-	-	-	8,001	-	8,001
Dues & Subscriptions	1,459	848	110	96	140	-	2,095	69	804	14	2	-	2,289	16	37	337	113	-	40	-	9,115	-	9,115
Publications	1,127	150	20	17	25	-	372	12	142	2	-	-	406	3	7	60	20	-	7	-	1,616	-	1,616
Printing	4,010	2,745	358	310	455	-	6,780	225	2,602	48	5	-	7,411	53	118	1,091	368	-	130	-	29,513	-	29,513
MDC Printing/Postage Allocation	6,043	2,194	285	248	364	-	5,422	179	2,081	38	4	-	5,925	42	94	873	294	-	104	-	23,596	-	23,596
Office Supplies	9,749	5,261	685	595	873	-	13,000	430	4,989	91	10	-	14,209	101	227	2,093	705	-	250	-	56,582	-	56,582
Business Gifts	5,869	131	17	14	21	-	322	11	124	2	-	-	352	2	5	52	18	-	6	-	1,401	-	1,401
CPT Books/Med Dict/Phys Cred	740	427	55	48	71	-	1,055	35	405	7	-	-	1,153	9	18	170	57	-	20	-	4,591	-	4,591
Marketing give aways	1,918	1,038	135	117	172	-	2,566	85	985	18	2	-	2,805	20	44	413	140	-	49	-	11,167	-	11,167
Sponsorships	1,526	288	37	32	48	-	712	23	273	5	-	-	779	5	12	115	39	-	14	-	3,098	-	3,098
Equipment Maintenance	4,666	3,106	404	351	515	-	7,673	253	2,945	53	6	-	8,386	60	133	1,235	416	-	147	-	33,393	-	33,393
Equipment Lease	6,036	1,912	249	216	317	-	4,723	156	1,813	33	4	-	5,162	37	82	760	257	-	90	-	20,557	-	20,557
Misc Equipment Expense	8,086	4,294	559	485	712	-	10,607	351	4,071	74	9	-	11,594	82	184	1,707	575	-	204	-	46,168	-	46,168
Insurance Expense	14,502	7,034	916	795	1,167	-	17,379	574	6,669	122	14	-	18,994	135	303	2,797	942	-	333	-	75,638	-	75,638
Other Operating Expense	7,845	172	23	20	29	-	429	14	165	3	-	-	469	3	7	69	23	-	9	-	1,865	-	1,865
Information System Expense	925	526	69	60	87	-	1,301	43	499	9	1	-	1,422	10	23	209	71	-	25	-	5,662	-	5,662
Corporate Allocations	281,571	200,424	26,109	22,650	33,251	-	495,185	16,368	190,029	3,473	389	-	541,208	3,835	8,620	79,695	26,863	-	9,497	-	2,155,197	-	2,155,197
Charitable Contributions	1,155	465	60	53	78	-	1,149	38	441	9	1	-	1,256	9	20	184	62	-	22	-	5,002	-	5,002
Total All Other Operating	581,518	234,255	30,495	26,629	40,239	-	578,845	19,123	223,042	6,380	486	-	632,378	4,703	10,123	93,634	31,362	-	11,088	-	2,524,300	-	2,524,300
DISCLOSURE OF NON-ADHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-ADHS Admin. Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrelated Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED BUSINESS EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrelated Business Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 5 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 2
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
DISCLOSURE OF OTHER ADHS REVENUE																								
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other - Other Column	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER GRANTS REPORTED																								
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER REVENUE REPORTED																								
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UNRELATED BUSINESS ACTIVITIES REPORTED																								
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Unrelated Business Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES																								
Block Provider Incentive Bonus Expense	288,821	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	288,821	-	288,821	
Housing Acquisition and Rehabilitation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,875	-	46,875	46,875	
SA Meth Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,767	-	-	-	-	-	67,767	67,767	
PASRR Screening Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,060	-	-	-	3,060	3,060	
Total All Other Behavioral Health Services	288,821	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,767	-	3,060	-	46,875	-	406,523	-	406,523

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 5 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 2
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMPD	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
DISCLOSURE OF SERVICE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Service Expense Non-ADHS Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF ALL OTHER OPERATING																							
Moving & Storage	212	85	11	10	14	-	211	7	81	1	-	-	230	2	4	34	11	-	4	-	917	-	917
Meeting Expense	537	216	28	24	36	-	535	18	205	4	-	-	584	4	9	86	29	-	10	-	2,325	-	2,325
Seminars	560	226	29	26	37	-	558	18	214	4	-	-	609	4	10	90	30	-	11	-	2,426	-	2,426
Postage	1,373	553	72	63	92	-	1,367	45	524	10	1	-	1,494	11	24	220	74	-	26	-	5,949	-	5,949
Messenger	75	30	4	3	5	-	75	2	29	1	-	-	82	1	1	12	4	-	1	-	325	-	325
Bank Charges	472	190	25	21	32	-	470	16	180	3	-	-	513	4	8	76	25	-	9	-	2,044	-	2,044
Sanctions/Penalties	270	99	5	87	659	-	425	4	578	2,218	23	-	197	101	26	309	-	-	-	-	5,001	-	5,001
Dues & Subscriptions	916	369	48	42	61	-	912	30	350	6	1	-	996	7	16	147	49	-	17	-	3,967	-	3,967
Publications	162	65	9	7	11	-	162	5	62	1	-	-	177	1	3	26	9	-	3	-	703	-	703
Printing	2,966	1,195	156	135	198	-	2,951	98	1,133	21	2	-	3,226	23	51	475	180	-	57	-	12,847	-	12,847
MDC Printing/Postage Allocation	2,372	955	124	108	158	-	2,360	78	906	17	2	-	2,579	18	41	380	128	-	45	-	10,271	-	10,271
Office Supplies	5,686	2,290	298	259	380	-	5,659	187	2,172	40	4	-	6,185	44	99	911	307	-	109	-	24,630	-	24,630
Business Gifts	141	57	7	6	9	-	140	5	54	1	-	-	153	1	2	23	8	-	3	-	610	-	610
CPT Books/Med Dicl/Phys Cred	462	186	24	21	31	-	459	15	176	3	-	-	502	4	8	74	25	-	9	-	1,999	-	1,999
Marketing give aways	1,122	452	59	51	75	-	1,117	37	429	8	1	-	1,221	9	19	180	61	-	21	-	4,862	-	4,862
Sponsorships	312	125	16	14	21	-	310	10	119	2	-	-	339	2	5	50	17	-	6	-	1,348	-	1,348
Equipment Maintenance	3,356	1,352	176	153	224	-	3,340	110	1,282	23	3	-	3,650	26	58	538	181	-	64	-	14,536	-	14,536
Equipment Lease	2,066	832	108	94	138	-	2,056	68	789	14	2	-	2,247	16	36	331	112	-	39	-	8,948	-	8,948
Misc Equipment Expense	4,640	1,869	243	211	310	-	4,617	153	1,772	32	4	-	5,047	36	80	743	250	-	89	-	20,096	-	20,096
Insurance Expense	7,602	3,062	399	346	508	-	7,565	250	2,903	53	6	-	8,268	59	132	1,217	410	-	145	-	32,925	-	32,925
Other Operating Expense	187	76	10	9	13	-	187	6	72	1	-	-	204	1	3	30	10	-	4	-	813	-	813
Information System Expense	569	229	30	26	38	-	566	19	217	4	-	-	619	4	10	91	31	-	11	-	2,464	-	2,464
Corporate Allocations	216,599	87,242	11,365	9,859	14,474	-	215,547	7,125	82,717	1,512	169	-	235,580	1,669	3,752	34,690	11,693	-	4,134	-	938,127	-	938,127
Charitable Contributions	503	202	26	23	34	-	500	17	192	4	-	-	547	4	9	80	27	-	10	-	2,178	-	2,178
Total All Other Operating	253,160	101,957	13,272	11,598	17,558	-	252,089	8,323	97,156	3,983	218	-	275,249	2,051	4,406	40,813	13,651	-	4,827	-	1,100,311	-	1,100,311
DISCLOSURE OF NON-ADHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-ADHS Admin. Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED																							
Total Unrelated Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrelated Business Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 6 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL	
DISCLOSURE OF OTHER ADHS REVENUE																								
	-	-	-	-	-	-	-	-																
Total Other - Other Column	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER GRANTS REPORTED																								
	-	-	-	-	-	-	-	-																
Total Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF OTHER REVENUE REPORTED																								
	-	-	-	-	-	-	-	-																
	-	-	-	-	-	-	-	-																
	-	-	-	-	-	-	-	-																
Total Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UNRELATED BUSINESS ACTIVITIES REPORTED																								
	-	-	-	-	-	-	-	-																
	-	-	-	-	-	-	-	-																
Total Unrelated Business Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES																								
Block Provider Incentive Bonus Expense	483,774	-	-	-	-	-	-	-											46,875			530,649	530,649	
Housing Acquisition and Rehabilitation Expense	-	-	-	-	-	-	-	-	372,100													372,100	372,100	
SA Meth Initiative	-	-	-	-	-	-	-	-								84,144						84,144	84,144	
PASRR Screening Services	-	-	-	-	-	-	-	-														-	-	
Total All Other Behavioral Health Services	483,774	-	-	-	-	-	-	-	372,100	-	-	-	-	-	-	84,144	-	-	-	46,875	-	986,893	-	986,893

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC
SCHEDULE 6 - SUPPLEMENTAL SCHEDULE OF ACTIVITIES - DISCLOSURES - GSA 4
Year Ended June 30, 2006

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
DISCLOSURE OF SERVICE EXPENSES FROM NON ADHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Service Expense Non-ADHS Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF ALL OTHER OPERATING																							
Moving & Storage	275	111	14	13	18	-	274	9	105	2	-	-	299	2	5	44	15	-	5	-	1,191	-	1,191
Meeting Expense	697	281	37	32	47	-	694	23	266	5	1	-	758	5	12	112	38	-	13	-	3,021	-	3,021
Seminars	727	293	38	33	49	-	723	24	278	5	1	-	791	6	13	116	39	-	14	-	3,150	-	3,150
Postage	1,782	718	93	81	119	-	1,773	59	680	12	1	-	1,938	14	31	285	96	-	34	-	7,716	-	7,716
Messenger	97	39	5	4	7	-	97	3	37	1	-	-	106	1	2	16	5	-	2	-	422	-	422
Bank Charges	612	247	32	28	41	-	609	20	234	4	-	-	666	5	11	98	33	-	12	-	2,652	-	2,652
Sanctions/Penalties	273	152	11	97	758	-	264	9	594	109	12	-	291	121	33	276	-	-	-	-	3,000	-	3,000
Dues & Subscriptions	1,189	479	62	54	79	-	1,183	39	454	8	1	-	1,293	9	21	190	64	-	23	-	5,148	-	5,148
Publications	211	85	11	10	14	-	210	7	80	1	-	-	229	2	4	34	11	-	4	-	913	-	913
Printing	3,848	1,550	202	175	257	-	3,829	127	1,469	27	3	-	4,185	30	67	616	208	-	73	-	16,666	-	16,666
MDC Printing/Postage Allocation	3,077	1,239	161	140	206	-	3,062	101	1,175	21	2	-	3,346	24	53	493	166	-	59	-	13,325	-	13,325
Office Supplies	7,377	2,971	387	336	493	-	7,341	243	2,817	51	6	-	8,024	57	128	1,182	398	-	141	-	31,952	-	31,952
Business Gifts	183	74	10	8	12	-	182	6	70	1	-	-	199	1	3	29	10	-	3	-	791	-	791
CPT Books/Med Dict/Phys Cred	599	241	31	27	40	-	596	20	229	4	-	-	651	5	10	96	32	-	11	-	2,592	-	2,592
Marketing give aways	1,456	586	76	66	97	-	1,449	48	556	10	1	-	1,584	11	25	233	79	-	28	-	6,305	-	6,305
Sponsorships	404	163	21	18	27	-	402	13	154	3	-	-	440	3	7	65	22	-	8	-	1,750	-	1,750
Equipment Maintenance	4,354	1,754	228	198	291	-	4,333	143	1,663	30	3	-	4,736	34	75	697	235	-	83	-	18,857	-	18,857
Equipment Lease	2,680	1,080	141	122	179	-	2,667	88	1,024	19	2	-	2,915	21	46	429	145	-	51	-	11,609	-	11,609
Misc Equipment Expense	6,020	2,425	316	274	402	-	5,890	198	2,299	42	5	-	6,547	46	104	964	325	-	115	-	26,072	-	26,072
Insurance Expense	9,862	3,972	517	449	659	-	9,814	324	3,766	69	8	-	10,726	76	171	1,580	532	-	188	-	42,713	-	42,713
Other Operating Expense	243	96	13	11	16	-	242	8	93	2	-	-	265	2	4	39	13	-	5	-	1,052	-	1,052
Information System Expense	738	297	39	34	49	-	735	24	282	5	1	-	803	6	13	118	40	-	14	-	3,198	-	3,198
Corporate Allocations	281,002	113,182	14,744	12,791	18,777	-	279,638	9,243	107,312	1,961	220	-	305,628	2,166	4,868	45,005	15,170	-	5,363	-	1,217,070	-	1,217,070
Charitable Contributions	652	263	34	30	44	-	649	21	249	5	1	-	709	5	11	104	35	-	12	-	2,824	-	2,824
Total All Other Operating	328,358	132,298	17,223	15,031	22,681	-	326,756	10,800	125,886	2,397	268	-	357,129	2,652	5,717	52,821	17,711	-	6,261	-	1,423,989	-	1,423,989
DISCLOSURE OF NON-ADHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-ADHS Admin. Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrelated Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISCLOSURE OF UNRELATED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrelated Business Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

SCHEDULE 7 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006

Federal Grantor / Pass-Through Grantor / Program	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services		
Arizona Department of Economic Security		
Children - Title XIX	93.779	\$ 570,450
SMI - Title XIX	93.779	325,000
Total AZ Department of Economic Security		<u>895,450</u>
Arizona Department of Health Services:		
Mental Health Block Grant (CMHS):		
SMI - Non Title XIX	93.958	528,348
Children - Non Title XIX	93.958	222,885
Total Mental Health Block Grant		<u>751,233</u>
Substance Abuse and Mental Health Services	93.243	<u>10,450</u>
Substance Abuse Block Grant (SAPT):		
Substance Abuse/General Mental Health	93.959	2,220,466
Prevention	93.959	490,732
Total Substance Abuse Block Grant		<u>2,711,198</u>
Centers for Medicare and Medicaid Services		
(CMS) Research, Demonstrations and Evaluations:		
SMI - Title XIX	93.779	15,002,899
Children - Title XIX	93.779	20,314,574
PASRR	93.779	3,300
Proposition 204	93.779	14,812,603
Total CMS Research Demonstration and Evaluations		<u>50,133,376</u>
KidsCare, Title XXI	93.767	<u>1,156,964</u>
Total Arizona Department of Health and Human Services		<u>54,763,221</u>
Total U.S. Department of Health and Human Services		<u>55,658,671</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 55,658,671</u>

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006

(1) **Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cenpatico and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Cenpatico did not provide federal awards to subrecipients during the year ended June 30, 2006.

(2) **Catalog of federal domestic assistance (CFDA) numbers**

The program titles and CFDA numbers were obtained from the 2006 *Catalog of Federal Domestic Assistance*.



Mayer Hoffman McCann P.C.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

We have audited the financial statements of *Cenpatico Behavioral Health of Arizona, LLC* at June 30, 2006 and for the year then ended, and have issued our report thereon dated October 16, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered *Cenpatico Behavioral Health of Arizona, LLC's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Cenpatico Behavioral Health of Arizona, LLC's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management of *Cenpatico Behavioral Health of Arizona, LLC* in a separate letter dated October 16, 2006.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative and regulatory bodies and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Phoenix, Arizona
October 16, 2006

Mayer Hoffman McCann P.C.



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

Compliance

We have audited the compliance of **Cenpatico Behavioral Health of Arizona, LLC** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. **Cenpatico Behavioral Health of Arizona, LLC's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Cenpatico Behavioral Health of Arizona, LLC's** management. Our responsibility is to express an opinion on **Cenpatico Behavioral Health of Arizona, LLC's** compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Cenpatico Behavioral Health of Arizona, LLC's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **Cenpatico Behavioral Health of Arizona, LLC's** compliance with those requirements.

In our opinion, **Cenpatico Behavioral Health of Arizona, LLC** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of **Cenpatico Behavioral Health of Arizona, LLC** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **Cenpatico Behavioral Health of Arizona, LLC's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, specific legislative and regulatory bodies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Phoenix, Arizona
October 16, 2006

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2006

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

A. Type of Auditors' Report Issued on the Financial Statements:

The Independent Auditors' Report on the basic financial statements of ***Cenpatico Behavioral Health of Arizona, LLC*** at and for the year ended June 30, 2006 was an unqualified opinion.

B. Reportable Condition in Internal Control Disclosed by the Audit of the Financial Statements:

The audit of the basic financial statements of ***Cenpatico Behavioral Health of Arizona, LLC*** at and for the year ended June 30, 2006 disclosed no matters involving the internal control over financial reporting and its operations that are considered to be material weaknesses.

C. Noncompliance Material to the Financial Statements:

The audit disclosed no instances of noncompliance material to the basic financial statements of ***Cenpatico Behavioral Health of Arizona, LLC*** at and for the year ended June 30, 2006.

D. Reportable Conditions in Internal Control over Major Programs:

The audit of compliance of ***Cenpatico Behavioral Health of Arizona, LLC*** at and for the year ended June 30, 2006 disclosed no reportable conditions.

E. Type of Auditors' Report Issued on Compliance for Major Programs:

The Independent Auditors' Report on compliance with requirements applicable to each major Federal program for the year ended June 30, 2006 was an unqualified opinion.

F. Findings Relating to Major Programs:

As indicated in Section III, the audit disclosed no findings related to major programs for the year ended June 30, 2006.

G. Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount Expended</u>
93.779	Centers for Medicare and Medicaid Services (CMS) Research Demonstration and Evaluations	\$ <u>50,133,376</u>
93.779	Children and SMI – Title XIX	\$ <u>895,450</u>
93.959	Substance Abuse Block Grant (SAPT)	\$ <u>2,711,198</u>

H. Threshold for Distinguishing Between Type A and Type B Programs:

The threshold for distinguishing between Type A and Type B programs was \$1,669,760 for the year ended June 30, 2006.

CENPATICO BEHAVIORAL HEALTH OF ARIZONA, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2006

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS (CONTINUED)

I. Qualifications of Auditee as a Low-Risk Auditee:

Cenpatico Behavioral Health of Arizona, LLC did not qualify as a low-risk auditee under applicable provisions of OMB Circular A-133 for the year ended June 30, 2006.

II. FINANCIAL STATEMENT AUDIT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

IV. STATUS OF PRIOR AUDIT FINDINGS

None